

OREGON STATE BAR

Board of Governors Agenda

Meeting Date: April 12, 2019
From: Amber Hollister, General Counsel
Re: CSF Claim No. 2018-68 Deveny (Laurie Kelly)

Action Requested

Consider Client Security Fund Committee's recommendation that the board grant claimant Laurie Kelly's claim of \$13,333.33 in the matter of CSF Claim No. 2018-68 Deveny (Laurie Kelly).

Discussion

Ms. Kelly retained Ms. Deveny on January 25, 2016 to represent her in a personal injury claim. She agreed to a contingent fee agreement, in which Ms. Deveny was to receive one-third of the settlement. She never received a copy of the written fee agreement from Ms. Deveny.

In July 2017, Ms. Deveny settled the claim without Ms. Kelly's knowledge or consent. Ms. Kelly asserts that Ms. Deveny forged her signature on a release dated July 17, 2017 and on a settlement check. In May 2018, Ms. Deveny had Ms. Kelly again sign an identical release.

Ms. Deveny deposited the settlement check but never distributed any funds to Ms. Kelly. The funds are no longer in Ms. Deveny's trust account.

Ms. Deveny resigned Form B, effective July 26, 2018, while numerous disciplinary cases were pending.

At its March 2018 meeting, the Client Security Fund Committee reviewed Ms. Kelly's claim and unanimously voted to recommend that the Board reimburse her for \$13,333.33 of her loss (2/3 of \$20,000). Ms. Kelly's claim would not ordinarily be eligible for reimbursement at this time, pursuant CSF Rule 2.1.6, because Ms. Deveny has not been found guilty of a crime and Ms. Kelly has not obtained a civil judgment against her. The Committee, however, voted to waive the requirement of CSF Rule 2.1.6 based on extreme hardship under CSF Rule 2.6, based upon her circumstances and the available evidence.

Staff recommends that the board approve the claim, consistent with the CSF Committee's recommendation.